

The Northern Lincolnshire Catholic Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

The Northern Lincolnshire Catholic Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Annual Report	3 to 11
Governance Statement	12 to 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20 to 21
Independent Reporting Accountant's Assurance Report on Regularity	22 to 23
Statement of Financial Activities incorporating Income and Expenditure Account	24 to 26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 to 56

The Northern Lincolnshire Catholic Academy Trust

Reference and Administrative Details

Members	C Thomas
	J Guest
	Bishop P J McKinney
Trustees (Directors)	K J Coyle
	J Ducey
	E S Jarosz
	J Krawiec (appointed 1 September 2016)
	D Lisle, (member of finance and audit committee)
	C R Mack, (member of finance and audit committee)
	C McHale (appointed 1 April 2016)
	P McNicholas
	P Moran
	A Morrisroe
	J O'Shaughnessy (appointed 1 September 2015)
	S Kilbride Pollard, Principal
	F Robinson
	D Sidaway, Principal
	J Snowdon (appointed 1 September 2015)
	M Strong
	P Tonge, Principal
	M M Travers, Principal (member of finance and audit committee)
	M Wilkins (appointed 1 September 2015)
	L A Mellows, Chair (member of finance and audit committee) (resigned 31 August 2016)
	G M Smith (resigned 1 September 2015)
	L Wilson (resigned 20 June 2016)
Company Secretary	P Kiernan

The Northern Lincolnshire Catholic Academy Trust

Reference and Administrative Details (continued)

Senior Management Team	M Travers, Principal, St Bede's Catholic Voluntary Academy S Kilbride Pollard, Principal, St Joseph's Catholic Primary Voluntary Academy P Tonge, Principal, St Norbert's Catholic Voluntary Academy D Sidaway, Principal, St Mary's Catholic Primary Voluntary Academy Brigg M Strong, Principal, St Bernadette's Catholic Primary Voluntary Academy (commenced 01/09/15) A Morrisroe, Principal, St Augustine Webster Catholic Voluntary Academy (commenced 01/09/15) C McHale, Principal, St Mary's Grimsby Catholic Voluntary Academy (commenced 01/04/16)
Principal and Registered Office	Holy Souls Presbytery Frodingham Road Scunthorpe North Lincolnshire DN15 7TA
Company Registration Number	07973953
Auditors	Forrester Boyd Chartered Accountants 26 South St Mary's Gate Grimsby North East Lincolnshire DN31 1LW
Bankers	Lloyds Bank PLC 104-108 High Street Town Centre Scunthorpe DN15 6HG
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, incorporating a strategic report and a directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 02 March 2012. The company registration number is 07973953.

The trustees oversee the charitable activities of The Northern Lincolnshire Catholic Academy Trust (the NOLCAT) and are also directors of the charitable company for the purposes of company law. The charitable company is known as the Northern Lincolnshire Catholic Academy Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The Academy Trust had seven active academies during the period as follows :

- St Bede's Catholic Voluntary Academy
- St Augustine Webster's Catholic Voluntary Academy
- St Joseph's Catholic Primary Voluntary Academy
- St Bernadette's Catholic Primary Voluntary Academy
- St Mary's Catholic Primary Voluntary Academy (Brigg)
- St Mary's Catholic Primary Voluntary Academy (Grimsby)
- St Norbert's Catholic Primary Voluntary Academy

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

- The Diocesan Trustees appoint foundation directors. At Least two Parish Priests are Foundation Directors
- The Principal of each Academy is appointed as a Director
- The Chair of each local Governing Body is appointed as a Director. The appointment of Chairman of each local Body is completed at each Local Governing Body meeting in the Autumn term by way of a vote process within this meeting.
- Parent Directors are elected by the parent members of the Local Governing Body of the Academies

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Governors.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Policies and procedures adopted for the induction and training of Trustees

Induction of new directors will be undertaken by:-

- Diocesan training
- A mentoring process with established Directors
- Relevant local authority training under the Governors Service Level Agreement for example with regard to 'Safeguarding'

Organisational structure

- Each Academy runs its own day to day management.
- All Academies follow the CES (Catholic Education Service) policies as instructed by the Diocese.
- Other policies are initiated by the Principal of each Academy and are taken to the Local Governing Bodies for ratification.
- Each Local governing Body has its own sub committees which include Finance, Personnel and Health and Safety
- The Principal and Chairman of each Academy reports to the Academy Trust (NOLCAT) three times a year. These reports focus on Standards, Finance and Personnel issues. The Trust also has its own finance and audit committee.
- The Academy Trust considers joint projects where it would be financially beneficial to work together.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are viewed by the trust to be the Headteacher of each Academy.

Each Academy is allocated to a group on the leadership pay spine as determined from the Academy's unit score as set out in the current edition of the School Teachers Pay and Conditions document issued by the Department for Education.

The Local Governing Body has determined the Individual School Range of seven consecutive spine points on the leadership pay spine, to assign the Headteacher to.

The salary and any movement up the pay spine of the Headteacher will be determined, by the relevant committee by 31 December of each year, in accordance with the provisions of the STPCD and with due regard to advice and guidance from the Department of Education (DfE) and the council as applicable. This includes the requirement for the governing body to determine performance objectives annually and to review the Headteacher's performance against these, having sought external independent advice from an appropriate person or body. The governing body may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the governing body may decide that there should be no pay progression.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Risk management

At its termly meetings the Academy Trust reviews that systems and procedures are in place to manage risk. The Statement of Internal Control has been considered already by the Academy Trust. A risk register is in place and strategies have been put in place by the Academy Trust to manage risk.

Major risks identified are:

- 1) Opening of another secondary school in Scunthorpe (UTC)
- 2) Recruitment of Governors

These have been reviewed by the Trust and the following procedures are in place to mitigate the risk.

- 1) To avoid the falling numbers in year 10 there will be an aggressive marketing strategy and St. Bede's will review its curriculum offer
- 2) The Trust will liaise with the Diocese and Parish Priests to put in place a recruitment strategy

The Trust regularly monitors any exposure to risk.

Connected organisations, including related party relationships

The Academy Trust is under the Trusteeship of the Diocese of Nottingham. The Trust is instructed by the Diocese to follow the CES policies. Each Academy within the Trust pays an Service Level Agreement (SLA) with the Diocese for support and training on educational matters.

Sponsor contribution

Northern Lincolnshire Catholic Academy Trust is sponsored by NRCDES and contribute the following key success factors:-

- Continuing to promote distinctive Catholic values and ethos
- Helping to articulate a clear educational vision that champions the ability of all children to achieve their potential
- Recruitment, retention and development of successful school leaders with a commitment to nurturing their own professional and personal faith development.
- Developing effective governance arrangements
- Providing strong challenge and support to school leadership, ensuring that the infrastructure and systems for effective leadership and management are in place, to secure rapid improvement.
- Monitoring clearly defined aspirational and challenging targets and ensuring improvement in performance
- Effective partnerships with key stakeholders, particularly with outstanding schools and academies and with Catholic and other Teaching Schools.
- Providing coherent strategic planning for the development of the school
- Promoting sound financial management skills and rigorously pursuing value for money

Objectives and activities

Objects and aims

As a Trust the individual Academies agree to maintain unity and explore together the options available to secure the future of Catholic Schools in Northern Lincolnshire. All this is carried out whilst jointly pursuing the principal activities mentioned at the outset.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Objectives, strategies and activities

At the Trust meetings, as evidenced by the meeting minutes, joint policies, projects, procurement and C.P.D are considered and acted upon as appropriate. For example, such strategies have included :

- Joint projects which have allowed the academies to negotiate costs with providers at a benefit to each individual academy
- Joint C.P.D. has enabled training at cost effective price
- The sharing of good practice has enabled individual schools to continue to provide a high level of educational performance and achievement.

Public benefit

The Academy Trust has had due regard to the guidance on public benefit published by the Charities Commission. The Trust wishes to promote the benefit of individuals living in Northern Lincolnshire through education and community use of facilities. All Academies are truly comprehensive and diverse in nature.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Achievements and performance

St. Bede's Catholic Voluntary Academy

Attainment

Headline Performance outcomes have improved.
5+ A*-C incl. English and Maths 73% (2015 57%).

Progress

Levels of progress have also risen in most areas.
3 levels of Progress English 76% (67% in 2015)
4 levels of progress English 29% (17% in 2015)
3 levels of progress in Maths 80% (69% 2015)
4 levels of progress in Maths 49% (23% 2015)
Progress 8 -0.02 (2015 N/a)

2016 Was the first year of the new Key Stage 2 tests in maths, reading and grammar, punctuation and spelling. The tests assess children against a national standard scaled score. A scaled score of 100 represents the expected standard for each test.

National Averages	Achieving Expected Standards
Reading	66%
Writing	74%
Maths	70%
Reading, Writing & Maths (RWM)	53%
Spelling, Punctuation & Grammar (SPaG)	72%

St Mary's Brigg	Achieving Expected Standards
Reading	89%
Writing	89%
Maths	96%
Reading, Writing & Maths (RWM)	85%
Spelling, Punctuation & Grammar (SPaG)	72%

St Norbert's	Achieving Expected Standards
Reading	73%
Writing	94%
Maths	73%
Reading, Writing & Maths (RWM)	53%
Spelling, Punctuation & Grammar (SPaG)	100%

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

St Augustine Webster Achieving Expected Standards

Reading	66%
Writing	78%
Maths	70%
Reading, Writing & Maths (RWM)	49%
Spelling, Punctuation & Grammar (SPaG)	73%

St Bernadette's Achieving Expected Standards

Reading	75%
Writing	82%
Maths	80%
Reading, Writing & Maths (RWM)	68%
Spelling, Punctuation & Grammar (SPaG)	84%

St Joseph's Achieving Expected Standards

Reading	61%
Writing	79%
Maths	46%
Reading, Writing & Maths (RWM)	39%
Spelling, Punctuation & Grammar (SPaG)	71%

Key financial performance indicators

	Unit	2016	2015
Salaries as a percentage of income (excluding capital)	%	75.00	71.00
Salaries as a percentage of expenditure (excluding capital)	%	75.00	75.00

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Key performance indicators

Attendance at all Academies within the Trust continued to be high

Attendance

St Mary's Brigg	96.4%
St Mary's Grimsby	96.5%
St Augustine Webster	95.8%
St Bernadette's	96.1%
St Bede's	96.0%
St Norbert's	97.6%
St Joseph's	95.7%

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. These conclusions apply at both individual Academy and full Trust level.

Financial review

The results for the period show overall reserves of £15,998,310 (2015 : £16,998,341).

These are made up of revenue reserves of £2,106,548 (2015: £1,881,141), fixed asset reserves of £17,498,762 (2015: £17,844,200), and an LGPS pension deficit of £3,607,000 (2015: £2,727,000). Major elements of the fixed asset increase were funded by a transfer from revenue reserves.

Each school within the trust has managed its own finances through strict budgetary controls and regular reviews of management information. A central finance and audit committee has been established by the Trust to monitor the finances of each individual academy on a termly basis.

The principal source of funding has been EFA grants during the period. These have supported the key objectives of the trust in this first period in helping to establish the academy whilst continuing to provide the expected levels of education.

Steps are being taken to eliminate the pension scheme deficit as contributions have increased since converting to an academy. It is possible that the deficit can have an effect on the cashflow of the academy, as it may mean the contributions will have to change again in the future.

Financial and risk management objectives and policies

Governors at each school and the Trust as a whole review potential risks regularly to ensure they are well aware of the possible future risks to the Trust. Reviews are undertaken by the Finance committees at individual Academies, along with the full governing body meetings of the Trust, and includes financial and operational risks including budget risks, health and safety reviews, safeguarding students, strategic and reputational risks and the risk of non-compliance with statutory obligations. Some significant risks such as public and employment liability are covered by the school's insurance policies.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Reserves policy

The Trust has a policy whereby each Academy states the level of reserves held and why they are held. Each Academy has to explain and quantify what the funds are set aside for in the future and when it is anticipated that they will be used. Current levels of reserves held are considered appropriate for covering any unexpected expenditure or temporary drop in income. Three months running costs are kept as reserves.

Investment policy

The Trust has a policy to review cash balances regularly at its termly meeting ensuring that when appropriate necessary investments can be made taking into consideration social, environmental and ethical considerations in relation to the tenets of the Catholic Church.

Principal risks and uncertainties

- Each Academy reviews risks and uncertainties at local Governance level. Each Academy has its own Finance and Personnel sub committees. A three year financial plan is drawn up by each Academy.
- Each Academy reports back to the Trust on the principal risks and uncertainties at each Trust meeting.
- NOLCAT monitors financial planning for each Academy, evaluates risk and evaluates any strategies in place to reduce risk.
- At each termly meeting the Trust reviews the needs of each Academy and if necessary implements a support mechanism.

Plans for future periods

Objectives for future periods include:

- 1) To improve communication systems across the Trust
- 2) To continue to review all policies so that policies are common to Trust schools
- 3) To refine Financial systems

This will be achieved with the following actions:

- 1) To continue regular visits by Link Directors to each Academy
- 2) To have a regular agenda item at Headteacher meeting's to review policies for presentation at NOLCAT meetings
- 3) The Audit Committee to review the findings of the audit and internal reviews and to put systems in place to aid consistency and efficiency. Also business managers and Peri Bursars will complete proformas and check off compliance with expectation of financial returns. From 1st September 2016 the Trust will appoint a Chief Financial Officer.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2016 (continued)

Employment of disabled persons

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development. New buildings and improvements to existing buildings all recognise the need to be fully DDA compliant.

Description of employee consultation

The trustees ensure all key policies affecting staff are communicated to them. This is achieved through staff handbooks and regular communication with senior staff.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

Trustees' Annual Report, incorporating a Strategic Report, approved by order of the members of the Governing Body, as company directors, on 6 December 2016 and signed on its behalf by:


.....

D Lisle
Trustee

The Northern Lincolnshire Catholic Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Northern Lincolnshire Catholic Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to M M Travers, Principal (member of finance and audit committee), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Northern Lincolnshire Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Annual Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
L A Mellows	4	4
K J Coyle	4	4
J Ducey	3	4
E S Jarosz	2	4
D Lisle	3	4
C R Mack	2	4
P McNicholas	2	4
F Robinson	1	4
P Moran	4	4
J O'Shaughnessy	1	4
J Snowdon	1	3
M Wilkins	3	4
M Strong	4	4
P Tonge	4	4
M M Travers	4	4
A Morrisroe	4	4
C McHale	2	2
D Sidaway	4	4
S Kilbride Pollard	4	4
J Williams	4	4
L Wilson	4	4

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Governance reviews

The Trust continues to actively encourage the appointment of Governors with essential skills.

The Board is consistently monitoring its own standards of governance to identify any areas of weakness.

Plans would be implemented to improve such areas if they were identified.

Each academy within the trust has its own Finance and Audit Committee. Its purpose is to review financial systems, budgets and other financial reports as well as Internal Reviews during the year. A central committee was also set up in the previous year.

Each member on the committees as listed below is a governor of the individual academy, however not a trustee of the NOLCAT, unless indicated.

The Directors of the NOLCAT who are on the committees, report back to the academy trust.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
St Bede's		
K Coyle NoLCAT Trustee	6	6
M Travers Headteacher NoLCAT Trustee	6	6
M Waldron	6	6
P Readhead	5	6
K Matthews	6	6
St Bernadette's		
P Moran NoLCAT Trustee	8	8
P King	8	8
M Waldron	7	8
V Grimes	6	8
C Kennedy	-	7
P Connell	-	5
St Norbert's		
P Tonge Headteacher NoLCAT Trustee	3	4
F Robinson NoLCAT Trustee	3	4
C Kelsey	4	4
C Poole	-	1
T Evans	4	4

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

	Meetings attended	Out of a possible
St Mary's (Grimsby)		
J Ducey NoLCAT Trustee	6	6
B Henry	5	6
J Krawiec	6	6
C McHale Headteacher NoLCAT Trustee	6	6
S Pollard Exec Head NoLCAT Trustee	4	4
St Augustine Webster		
Fr E Jarosz NoLCAT Trustee	5	5
D Lisle NoLCAT Trustee	5	5
A Morrisroe Headteacher NoLCAT Trustee	5	5
S Jolley	2	2
St Mary's Brigg		
L Charles-Lee	3	3
R Earlam	3	3
G Scott	-	3
G Smith	2	3
P Smith	2	3
D Sidaway Headteacher NoLCAT Trustee	3	3
St Joseph's		
S Pollard Headteacher NoLCAT Trustee	3	3
M Arrand	3	3
C Mack NoLCAT Trustee	3	3
G Purdue	3	3
M Wilkins NoLCAT Trustee	3	3
E Powell	2	2
V Matthews	3	3
NoLCAT Audit Committee		
M Travers	3	3
C Mack	2	3
D Lisle	3	3
A Mellows	3	3

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Review of value for money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- **Educational Standards.** The Trust monitors the educational standards of each academy on a termly basis through the analysis of data. Projections are reported and barriers towards achieving targets for each academy are discussed. Intervention strategies put in place by each academy are considered as are the support mechanisms that the academies can give to one another. In 2014/2015 Link Directors were attached to all Academies to enable more rigorous monitoring and evaluation of standards and systems. These link Directors report back to the full board. The benefit of this action can be witnessed by the increase in performance across all Academies in the Trust during 2015/16.

- **Better Purchasing.** The Academies in the Trust have begun to work collaboratively on procuring services to reduce costs. For example from 2012-2013 there has been joint purchasing on legal and accountancy services. In 2013-2014 we have built upon this and have negotiated joint procurement for a Human Resources service level agreement at reduced costs due to the number of academies involved. In 2014/2015 we have built upon this further jointly procuring CPD for staff. We have also procured a joint Health and Safety SLA. During 2015/16, the trust has sought further ways to build on joint agreements and is currently reviewing a number of SLAs including energy provision and Responsible Officer visits/reporting.

- **Better Income Generation.** Each Academy has avenues where additional income is generated for example with regards to lettings. In 2014/2015 joint income generation is an area that the Trust still wishes to develop. The Trust, however, has made use of each Academies venues as a way of saving money. The Trust has reduced outgoings. Reviewing Controls and Managing risks. Each Academy has a responsible Officer, who is not part of the Governors' Finance Committee, but who monitors all financial matters and reports back to the full Governing Body. In 2014/2015 the Trust established an Audit Committee as an additional control mechanism. The Trust has recently appointed a Chief Finance Officer to commence duties in September 2016.

Reviewing Controls and Managing risks. Each Academy has a Responsible Officer or Internal Reviewer, who is not part of the Governors' Finance Committee, but who monitors all financial matters and reports back to the full Governing Body. In 2015/2016 the Trust's Audit Committee continued to review each academy as an additional control mechanism.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Northern Lincolnshire Catholic Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Audit Committees at the individual academies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the individual Academies have appointed different reviewers to cover this requirement. The following internal reviewers were used, at different academies, during the year; Kevin Coyle, Forrester Boyd, North East Lincolnshire and North Lincolnshire Council.

13 reviews were carried out in total during the year. The specific reviews differed depending on the direction given by committees at individual academies. Examples of some of the work carried out at various academies included :

- Reviewing payroll systems.
- Reviewing purchase systems.
- Considering leases in place.
- Advising on governance.

The audit committee of the NOLCAT also reviews these reports.

All work through the year was carried out as planned. Nothing material was found, with action taken on any issues reported.

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Review of effectiveness

As Accounting Officer, Michelle Travers has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

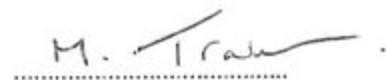
- the work done as part of the internal reviews
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of reviews of the system of internal control by the individual Academy finance committees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 6 December 2016 and signed on its behalf by:



D Lisle
Trustee



M M Travers
Trustee

The Northern Lincolnshire Catholic Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Northern Lincolnshire Catholic Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.



M M Travers
Accounting officer
6 December 2016

The Northern Lincolnshire Catholic Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction, issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 6 December 2016 and signed on its behalf by:


.....
D Lisle
Trustee

The Northern Lincolnshire Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Northern Lincolnshire Catholic Academy Trust

We have audited the financial statements of The Northern Lincolnshire Catholic Academy Trust for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2015 to 2016, issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 19), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Northern Lincolnshire Catholic Academy Trust

**Independent Auditor's Report on the Financial Statements to the Members of The
Northern Lincolnshire Catholic Academy Trust (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kevin Hopper ACA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Chartered Accountants , Statutory Auditor

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

6 December 2016

The Northern Lincolnshire Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Northern Lincolnshire Catholic Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 25 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Northern Lincolnshire Catholic Academy Trust (the NOLCAT) during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the NOLCAT and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the NOLCAT and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the NOLCAT and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the NOLCAT's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the NOLCAT's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and other Key Management Personnel.

The Northern Lincolnshire Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Northern Lincolnshire Catholic Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Kevin Hopper ACA (Reporting Accountant)
For and on behalf of Forrester Boyd Chartered Accountants

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

6 December 2016

The Northern Lincolnshire Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Donations including capital grants	2	123,508	205,054	328,562	452,148
Other trading activities	4	190,510	-	190,510	283,814
Investments	5	7,849	-	7,849	5,111
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy trust's educational operations	3	<u>10,609,667</u>	<u>-</u>	<u>10,609,667</u>	<u>10,721,261</u>
Total incoming resources		<u>10,931,534</u>	<u>205,054</u>	<u>11,136,588</u>	<u>11,462,334</u>
Resources expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		196,141	-	196,141	279,737
<i>Charitable activities:</i>					
Academy trust educational operations		<u>10,623,511</u>	<u>595,967</u>	<u>11,219,478</u>	<u>10,803,089</u>
Total resources expended	6	<u>10,819,652</u>	<u>595,967</u>	<u>11,415,619</u>	<u>11,082,826</u>
Net incoming/(outgoing) resources before transfers		111,882	(390,913)	(279,031)	379,508
Gross transfers between funds		<u>(45,475)</u>	<u>45,475</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		66,407	(345,438)	(279,031)	379,508
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	22	<u>(721,000)</u>	<u>-</u>	<u>(721,000)</u>	<u>(38,000)</u>
Net movement in (deficit)/funds		(654,593)	(345,438)	(1,000,031)	341,508
Reconciliation of funds					
(Deficit)/funds brought forward at 1 September 2015		<u>(845,859)</u>	<u>17,844,200</u>	<u>16,998,341</u>	<u>16,656,833</u>
(Deficit)/funds carried forward at 31 August 2016		<u>(1,500,452)</u>	<u>17,498,762</u>	<u>15,998,310</u>	<u>16,998,341</u>

The Northern Lincolnshire Catholic Academy Trust

**Statement of Financial Activities for the Year Ended 31 August 2016
(including Income and Expenditure Account) (continued)**

All of the academy's activities derive from continuing operations during the above two periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The Northern Lincolnshire Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2015
(including Income and Expenditure Account)

	Note	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:				
Donations and capital grants	2	75,056	377,092	452,148
Other trading activities		283,814	-	283,814
Investments		5,111	-	5,111
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	3	10,721,261	-	10,721,261
Total		11,085,242	377,092	11,462,334
Expenditure on:				
Raising funds	6	279,737	-	279,737
<i>Charitable activities:</i>				
Academy trust educational operations	7	10,351,966	451,123	10,803,089
Total		10,631,703	451,123	11,082,826
Net income/(expenditure)		453,539	(74,031)	379,508
Transfers between funds		(524,111)	524,111	-
Other recognised gains and losses				
Actuarial gains / (losses) on defined benefit pension schemes	22	(38,000)	-	(38,000)
Net movement in (deficit)/funds		(108,572)	450,080	341,508
Reconciliation of funds				
Total (deficit)/funds brought forward at 1 September 2014		(737,287)	17,394,120	16,656,833
Total (deficit)/funds carried forward at 31 August 2015		(845,859)	17,844,200	16,998,341

The Northern Lincolnshire Catholic Academy Trust

(Registration number: 07973953)
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	17,488,432	17,742,676
Current assets			
Stocks	12	10,226	10,220
Debtors	13	277,520	271,411
Cash at bank and in hand		<u>2,402,853</u>	<u>2,431,890</u>
		2,690,599	2,713,521
Creditors: Amounts falling due within one year	14	<u>(573,721)</u>	<u>(730,856)</u>
Net current assets		<u>2,116,878</u>	<u>1,982,665</u>
Total assets less current liabilities		<u>19,605,310</u>	<u>19,725,341</u>
Net assets excluding pension liability		19,605,310	19,725,341
Pension scheme liability	22	<u>(3,607,000)</u>	<u>(2,727,000)</u>
Net assets including pension liability		<u>15,998,310</u>	<u>16,998,341</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		2,106,548	1,881,141
Restricted fixed asset fund		17,498,762	17,844,200
Restricted pension fund		<u>(3,607,000)</u>	<u>(2,727,000)</u>
		<u>15,998,310</u>	<u>16,998,341</u>
Total funds		<u>15,998,310</u>	<u>16,998,341</u>

The financial statements on pages 24 to 56 were approved by the Trustees, and authorised for issue on 6 December 2016 and signed on their behalf by:

D. Lisle.
D Lisle
Trustee

The Northern Lincolnshire Catholic Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	71,283	491,506
Cash flows from investing activities	19	<u>(100,320)</u>	<u>(448,754)</u>
Change in cash and cash equivalents in the year		(29,037)	42,752
Cash and cash equivalents at 1 September		<u>2,431,890</u>	<u>2,389,138</u>
Cash and cash equivalents at 31 August	20	<u>2,402,853</u>	<u>2,431,890</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

General information

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Holy Souls Presbytery
Frodingham Road
Scunthorpe
North Lincolnshire
DN15 7TA

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Northern Lincolnshire Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

The financial statements of The Northern Lincolnshire Catholic Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets

Assets costing between £750 - £1,000 (this varies between the individual academies) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Asset class	Depreciation method and rate
Leasehold land	125 years straight line basis
Plant and machinery	15% & 10% straight line basis
Computer equipment	33% straight line basis
Fixtures and furniture	25% & 10% straight line basis
Buildings	50 years & 10% straight line basis

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Long Term Leasehold property:

The land and buildings recognised are held on 125 year leases with either the Diocese or North Lincolnshire Council. These are recognised as assets and depreciated

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Educational trips and visits	105,028	-	105,028	68,783
Capital grants	-	205,054	205,054	377,092
Other donations	18,480	-	18,480	6,273
	<u>123,508</u>	<u>205,054</u>	<u>328,562</u>	<u>452,148</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant	3,567,421	3,567,421	3,535,418
General Annual Grant	757,928	757,928	712,959
General Annual Grant	842,010	842,010	833,373

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	School	Restricted funds £	Total 2016 £	Total 2015 £
General Annual Grant	St Augustine Webster Catholic Academy	1,596,028	1,596,028	1,545,879
General Annual Grant	St Bernadette's Catholic Primary Voluntary Academy	1,128,534	1,128,534	1,135,082
General Annual Grant	St Norberts Catholic Primary Academy	476,019	476,019	457,567
General Annual Grant	St Mary's Catholic Primary Voluntary Academy (Grimsby)	970,822	970,822	974,470
Pupil Premium Grant	St Bede's Catholic Voluntary Academy	142,366	142,366	137,216
Pupil Premium Grant	St Mary's Catholic Primary Voluntary Academy (Brigg)	50,125	50,125	44,545
Pupil Premium Grant	St Joseph's Catholic Primary Voluntary Academy	92,885	92,885	76,292
Pupil Premium Grant	St Bernadette's Catholic Primary Voluntary Academy	76,160	76,160	77,158
Pupil Premium Grant	St Mary's Catholic Primary Voluntary Academy (Grimsby)	103,180	103,180	112,263
Pupil Premium Grant	St Norberts Catholic Primary Academy	21,548	21,548	23,270
Pupil Premium Grant	St Augustine Webster Catholic Academy	73,153	73,153	84,614
Universal Infants Free School Meals	St Mary's Catholic Primary Voluntary Academy (Brigg)	28,296	28,296	48,089
Universal Infants Free School Meals	St Joseph's Catholic Primary Voluntary Academy	41,274	41,274	42,625

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations (continued)

		Restricted funds £	Total 2016 £	Total 2015 £
	School			
Universal Infants Free School Meals	St Augustine Webster Catholic Academy	61,307	61,307	109,670
Universal Infants Free School Meals	St Bernadette's Catholic Primary Voluntary Academy	45,812	45,812	68,155
Universal Infants Free School Meals	St Norberts Catholic Primary Academy	15,915	15,915	39,567
Universal Infants Free School Meals	St Mary's Catholic Primary Voluntary Academy (Grimsby)	20,029	20,029	27,332
		<u>10,110,812</u>	<u>10,110,812</u>	<u>10,085,544</u>
Other government grants				
Other Government Grants	St Bernadette's Catholic Primary Voluntary Academy	108,222	108,222	145,502
Other Government Grants	St Bede's Catholic Voluntary Academy	21,366	21,366	45,979
Other Government Grants	St Mary's Catholic Primary Voluntary Academy (Brigg)	3,305	3,305	22,468
Other Government Grants	St Augustine Webster Catholic Academy	103,134	103,134	165,920
Other Government Grants	St Joseph's Catholic Primary Voluntary Academy	102,373	102,373	63,685
Other Government Grants	St Norberts Catholic Primary Academy	46,234	46,234	51,857
Other Government Grants	St Mary's Catholic Primary Voluntary Academy (Grimsby)	29,873	29,873	123,940
		<u>414,507</u>	<u>414,507</u>	<u>619,351</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	School	Restricted funds £	Total 2016 £	Total 2015 £
Non-government grants and other income				
Other income	St Bede's Catholic Voluntary Academy	42,045	42,045	-
Other income	St Augustine Webster Catholic Academy	5,429	5,429	-
Other income	St Mary's Catholic Primary Voluntary Academy (Brigg)	6,544	6,544	-
Other income	St Joseph's Catholic Primary Voluntary Academy	480	480	-
Other income	St Bernadette's Catholic Primary Voluntary Academy	2,570	2,570	461
Other income	St Mary's Catholic Primary Voluntary Academy (Grimsby)	10,055	10,055	1,783
Other income	St Norberts Catholic Primary Academy	17,225	17,225	14,122
		84,348	84,348	16,366
Total grants		10,609,667	10,609,667	10,721,261

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

4 Other trading activities

	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	15,706	15,706	13,077
Transport Income	36,853	36,853	56,838
School Trips and Clubs Income	83,375	83,375	53,240
Other Income	54,576	54,576	160,659
	<u>190,510</u>	<u>190,510</u>	<u>283,814</u>

5 Investment income

	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	<u>7,849</u>	<u>7,849</u>	<u>5,111</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	196,141	196,141	279,737
Academy's educational operations					
Direct costs	6,890,653	-	1,503,542	8,394,195	7,841,521
Allocated support costs	<u>1,268,286</u>	<u>1,293,464</u>	<u>263,533</u>	<u>2,825,283</u>	<u>2,961,568</u>
	<u>8,158,939</u>	<u>1,293,464</u>	<u>1,963,216</u>	<u>11,415,619</u>	<u>11,082,826</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating leases - plant and machinery	48,477	41,238
Fees payable to auditor - audit	24,285	23,500
- other audit services	7,645	25,090
Profit/(loss) on disposal of tangible fixed assets	(15,774)	-
Depreciation	<u>551,693</u>	<u>451,123</u>

7 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	8,394,195	7,841,521
Support costs - educational operations	<u>2,825,283</u>	<u>2,961,568</u>
	<u>11,219,478</u>	<u>10,803,089</u>

	Educational operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Support staff costs	1,268,286	1,268,286	1,290,716
Depreciation	551,693	551,693	451,123
Premises costs	741,771	741,771	753,648
Other support costs	221,650	221,650	337,994
Governance costs	<u>41,883</u>	<u>41,883</u>	<u>128,087</u>
Total support costs	<u>2,825,283</u>	<u>2,825,283</u>	<u>2,961,568</u>

8 Staff

	2016 £	2014 £
Staff costs during the year were:		
Wages and salaries	6,364,135	6,264,635
Social security costs	435,992	355,632
Pension costs	1,176,889	1,065,070
Supply teacher costs	167,087	196,606
Compensation payments	-	24,721
Staff restructuring costs	<u>14,836</u>	<u>-</u>
	<u>8,158,939</u>	<u>7,906,664</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

	2016 £	2015 £
Staff restructuring costs comprise:		
Redundancy payments	14,836	-
Severance payments	-	24,721
	<u>14,836</u>	<u>24,721</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2015: £24,721). Individually, the payments were:

Non-contractual payments £10,400

Non-contractual payments £5,926

Non-contractual payments £2,873

Non-contractual payments £5,522

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	2016 No	2015 No
Charitable Activities		
Teachers	122	120
Administration and support	7	7
Management	<u>211</u>	<u>207</u>
	<u>340</u>	<u>334</u>

Higher paid staff

The number of employees whose emoluments (excluding employer pension costs) exceeded £60,000 was:

	2016 No	2015 No
£60,001 - £70,000	2	2
£70,001 - £80,000	1	3
£80,001 - £90,000	<u>1</u>	<u>1</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £529,420 (2015: £475,626).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

M M Travers

Remuneration: £85,000 - £90,000 (2015 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £10,000 - £15,000)

S Kilbride Pollard

Remuneration: £70,000 - £75,000 (2015 - £70,000 - £75,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £10,000 - £15,000)

E Brolly

Remuneration: (2015 - £70,000 - £75,000)

Employer's pension contributions: (2015 - £10,000 - £15,000)

J Sulkowski

Remuneration: £Nil (2015 - £70,000 - £75,000)

Employer's pension contributions: £Nil (2015 - £5,000 - £10,000)

P Tonge

Remuneration: £55,000 - £60,000 (2015 - £55,000 - £60,000)

Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

D Sidaway

Remuneration: £55,000 - £60,000 (2015 - £50,000 - £55,000)

Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

M Strong

Remuneration: £55,000 - £60,000 (2015 -)

Employer's pension contributions: £5,000 - £10,000 (2015 -)

A Morrisroe

Remuneration: £55,000 - £60,000 (2015 -)

Employer's pension contributions: £5,000 - £10,000 (2015 -)

C McHale

Remuneration: £60,000 - £65,000 (2015 -)

Employer's pension contributions: £5,000 - £10,000 (2015 -)

During the year ended 31 August 2016, travel and subsistence expenses totalling £1,156 (2015 - £339) were reimbursed or paid directly to 2 trustees (2015 - 1).

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

Related party transactions involving the trustees are set out in note 23.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 (2015: £2,000,000) (per academy) on any one claim and the cost for the period ended 31 August 2016 was approximately £250 (2015: £250) (per academy).

The cost of this insurance is included in the total insurance cost.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2015	17,569,882	444,308	369,879	18,384,069
Additions	174,617	44,324	94,282	313,223
Disposals	(16,096)	-	-	(16,096)
At 31 August 2016	<u>17,728,403</u>	<u>488,632</u>	<u>464,161</u>	<u>18,681,196</u>
Depreciation				
At 1 September 2015	314,709	138,442	188,242	641,393
Charge for the year	387,192	72,267	92,234	551,693
Eliminated on disposals	(322)	-	-	(322)
At 31 August 2016	<u>701,579</u>	<u>210,709</u>	<u>280,476</u>	<u>1,192,764</u>
Net book value				
At 31 August 2016	<u>17,026,824</u>	<u>277,923</u>	<u>183,685</u>	<u>17,488,432</u>
At 31 August 2015	<u>17,255,173</u>	<u>305,866</u>	<u>181,637</u>	<u>17,742,676</u>

The individual academies within the trust also occupy land and property owned by the Diocesan Trustees. Where there is no formal lease in place, these assets are not included in the above figures, as they are held based on an informal "licence to operate" in the properties owned by the Diocese. Enhanced detail is contained in the Related Party disclosure (number 25). St Bede's Academy is an exception to this as they are party to a 125 year lease over their land and buildings.

Included within leasehold land and buildings is £15,959,580 (2015: £16,252,780) relating to long leasehold land and buildings.

12 Stock

	2016 £	2015 £
Stocks	<u>10,226</u>	<u>10,220</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

13 Debtors

	2016	2015
	£	£
Trade debtors	5,762	2,846
Prepayments	121,925	108,379
Accrued grant and other income	89,430	92,371
VAT recoverable	60,403	67,815
	<u>277,520</u>	<u>271,411</u>

14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	231,977	367,860
Other taxation and social security	215,722	191,686
Other creditors	23,856	-
Accruals	102,166	160,294
Deferred income	-	11,016
	<u>573,721</u>	<u>730,856</u>
		2016
		£
Deferred income at 1 September 2015		11,016
Resources deferred in the period		<u>(11,016)</u>
Deferred income at 31 August 2016		<u>-</u>

The deferred income in 2015 related to nursery funding received for a facility that had not yet opened.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

15 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	648,091	9,338,762	(9,188,068)	(45,475)	753,310
Other Government Grants (Local Authority)	273,738	377,201	(403,707)	-	247,232
Other DfE Grants	220,793	559,417	(536,230)	-	243,980
St Bernadette's Catholic Primary Voluntary Academy	70,984	27,542	(13,389)	-	85,137
St Bede's Catholic Voluntary Academy	145,536	197,984	(86,907)	-	256,613
St Augustine Webster Catholic Academy	87,728	46,374	(20,492)	-	113,610
St Joseph's Catholic Primary Voluntary Academy	51,438	29,590	(10,609)	-	70,419
St Mary's Catholic Primary Voluntary Academy (Brigg)	26,503	42,392	(23,337)	-	45,558
St Norbert's Catholic Primary Voluntary Academy	20,929	63,955	(51,519)	-	33,365
St Mary's Catholic Primary Academy	216,454	35,684	(106,961)	-	145,177
Universal Infant Free School Meals	118,947	212,633	(219,433)	-	112,147
	<u>1,881,141</u>	<u>10,931,534</u>	<u>(10,660,652)</u>	<u>(45,475)</u>	<u>2,106,548</u>
Restricted fixed asset funds					
DfE Capital Grant	212,788	150,869	(49,227)	-	314,430
AMF Capital Grant	414,534	54,185	(29,546)	-	439,173
Restricted Fixed Asset Fund	871,484	-	(423,860)	-	447,624
Donated assets from LA	294,839	-	(2,359)	-	292,480
St Bede's School Land and Buildings from Diocese	16,050,555	-	(90,975)	-	15,959,580
Transfer from GAG	-	-	-	45,475	45,475
	<u>17,844,200</u>	<u>205,054</u>	<u>(595,967)</u>	<u>45,475</u>	<u>17,498,762</u>
Restricted pension funds					
Pension reserve	<u>(2,727,000)</u>	<u>-</u>	<u>(159,000)</u>	<u>(721,000)</u>	<u>(3,607,000)</u>
Total funds	<u><u>16,998,341</u></u>	<u><u>11,136,588</u></u>	<u><u>(11,415,619)</u></u>	<u><u>(721,000)</u></u>	<u><u>15,998,310</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

15 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Local Authority Statement funding is provided for the provision of services for children with special educational needs. This is included within other government grants as part of restricted funds.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated, this is included within other DfE income. The grant does not have to be completely spent by schools in the financial year. This is included within other DfE grants as part of restricted funds.

Universal Infants Free School Meals funding is primarily to be used to provide children with a free school meal. However any amounts not spent on this purpose can be used for any other purpose applicable to the objectives of the Trust.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

The donated assets income is the value of the school transferred from the local authority on conversion. The expenditure is the depreciation of the land since conversion up to the 31 August 2016.

St Bede's school buildings refers to the land and buildings, owned by the Diocese, for which a 125 year lease was granted during 2015.

Other restricted funds represent the general funds of each individual academy. The funds can only be spent at the academy which generates them. Where there is a high level of funds held at the period end, necessary capital activity is planned to utilise these resources.

The transfers represent £45,475 of capital expenditure that was funded by the General Annual Grant.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total £
St Augustine Webster Catholic Academy	229,336
St Mary's Catholic Primary Voluntary Academy (Brigg)	149,743
St Bede's Catholic Voluntary Academy	971,820
St Joseph's Catholic Primary Voluntary Academy	77,230
St Bernadette's Catholic Primary Voluntary Academy	499,877
St Mary's Catholic Primary Voluntary Academy (Grimsby)	145,177
St Norberts Catholic Primary Academy	<u>33,365</u>
Total before fixed assets and pension reserve	2,106,548
Restricted Fixed Asset Fund	17,498,762
Pension reserve	<u>(3,607,000)</u>
Total	<u><u>15,998,310</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

15 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
St Augustine Webster Catholic Academy	1,181,469	175,704	90,533	374,246	1,821,952
St Mary's Catholic Primary Voluntary Academy (Brigg)	531,221	92,497	32,464	209,161	865,343
St Bede's Catholic Voluntary Academy	2,399,662	510,733	145,105	692,664	3,748,164
St Joseph's Catholic Primary Voluntary Academy	717,354	114,615	74,117	238,317	1,144,403
St Bernadette's Catholic Primary Voluntary Academy	905,827	169,645	53,418	244,419	1,373,309
St Mary's Catholic Primary Voluntary Academy (Grimsby)	785,720	147,618	64,902	242,732	1,240,972
St Norberts Catholic Primary Academy	369,400	57,474	25,263	217,644	669,781
Academy Trust	<u>6,890,653</u>	<u>1,268,286</u>	<u>485,802</u>	<u>2,219,183</u>	<u>10,863,924</u>

16 Financial commitments

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	41,487	48,477
Amounts due between one and five years	<u>43,504</u>	<u>82,334</u>
	<u>84,991</u>	<u>130,811</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

17 Analysis of net assets between funds

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	17,488,432	17,488,432
Current assets	2,680,269	10,330	2,690,599
Current liabilities	(573,721)	-	(573,721)
Pension scheme liability	<u>(3,607,000)</u>	<u>-</u>	<u>(3,607,000)</u>
Total net assets	<u>(1,500,452)</u>	<u>17,498,762</u>	<u>15,998,310</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

18 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2016 £	2015 £
Net (expenditure)/income	(279,031)	379,508
Depreciation	551,693	451,123
Loss on disposal of tangible fixed assets	15,774	-
Capital Income	(205,054)	(377,092)
Interest receivable	(7,849)	(5,111)
FRS 17 interest on defined benefit pension scheme	105,000	95,000
FRS17 service cost adjustment	54,000	50,000
Increase in stocks	(6)	(1,777)
Increase in debtors	(6,109)	(20,868)
Decrease in creditors	(157,135)	(79,277)
Net cash inflow from operating activities	<u>71,283</u>	<u>491,506</u>

19 Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	7,849	5,111
Purchase of tangible fixed assets	(313,223)	(830,957)
Capital funding received from sponsors and others	<u>205,054</u>	<u>377,092</u>
Net cash used in investing activities	<u>(100,320)</u>	<u>(448,754)</u>

20 Analysis of changes in net funds

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	<u>2,402,853</u>	<u>2,431,890</u>
Total cash and cash equivalents	<u>2,402,853</u>	<u>2,431,890</u>

21 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

22 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £666,511 (2015: £576,490)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website .

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

22 Pension and similar obligations (continued)

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £558,000 (2015 - £525,000), of which employer's contributions totalled £457,000 (2015 - £428,000) and employees' contributions totalled £101,000 (2015 - £97,000). The agreed contribution rates for future years are 24.9 per cent for employers and 5 - 7 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	2.30	4.00
Rate of increase for pensions in payment/inflation	2.10	2.60
Discount rate for scheme liabilities	<u>2.00</u>	<u>3.70</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5% £	0.0% £	- 0.5% £
Adjustment to discount rate			
Present value of total obligation	-	-	154,000
	<u>+ 0.5%</u> £	<u>0.0%</u> £	<u>- 0.5%</u> £
Adjustment to rate of inflation			
Present value of total obligation	92,000	-	-
	<u>+ 0.5%</u> £	<u>0.0%</u> £	<u>- 0.5%</u> £
Adjustment to rate of salary growth			
Present value of total obligation	58,000	-	-
	<u>+ 1 Year</u> £	<u>None</u> £	<u>- 1 Year</u> £
Adjustment to mortality age rating assumption			
Present value of total obligation	33,000	-	-